

Message Text

MRN: 1977GENEVA007266 SEGMENT NUMBER: 000001 ERROR READING TEXT INDEX

FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE
ADP551
CONFIDENTIAL

PAGE 01 GENEVA 07266 02 OF 02 251921Z
ACTION STR-04

INFO OCT-01 ISO-00 STRE-00 SS-15 SSO-00 /020 W
-----057334 251925Z /41
O 251205Z AUG 77
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 588

C O N F I D E N T I A L SECTION 2 OF 2 GENEVA 7266

3. EXCEPTIONS

A. THE "NO NET EXCEPTIONS" PRINCIPLE MAY OFFER A WAY TO PRESERVE THE OVERALL LEVEL OF CUTS AGREED UNDER THE FORMULA WHILE ACCOMMODATING BOTH THE EC'S DESIRE TO AVOID AN INTERNAL EXCEPTIONS EXERCISE AND THE LIKELIHOOD THAT THE U.S. AND SOME OTHERS MAY NEED A LIMITED NUMBER OF ADDITIONAL EXCEPTIONS. IF WE TABLE ONLY MANDATORY EXCEPTIONS, THEN THE BALANCING DEEPER-THAN-FORMULA OBLIGATIONS WOULD NOT BE TOO BURDENSOME. BEFORE ADVANCING THIS IDEA TO EC AND OTHERS, HOWEVER, WE BELIEVE IT IMPORTANT TO HAVE A QUICK BALL-PARK APPRAISAL OF OUR OWN ABILITY TO DELIVER. KEY QUESTION OBVIOUSLY RELATES TO TEXTILES. WE HAVE \$1 BILLION IN TEXTILES AND APPAREL ANNUAL IMPORTS AT DUTIES OF 35 PERCENT AND HIGHER. THOSE WOULD BE CUT 57 TO 60 PERCENT UNDER THE NEW U.S. FORMULA PROPOSAL. WOULD NOT FULL OR EVEN PARTIAL EXCEPTIONS OF THESE AND OTHER SENSITIVE ITEMS PRESENT US WITH AN ENORMOUS DEEPER-THAN-FOURMULA BILL, OR AT LEAST DESTROY THE DISCIPLINE ON EXCEPTIONS WHICH IS THE AIM OF THE NO-NET-EXCEPTIONS PRINCIPLE?

B. WE ASSUME THE NO NET EXCEPTIONS RECOMMENDATION ANTICIPATES NO BALANCING DEEPER-THAN-FORMULA CUTS WILL BE NECESSARY FOR THE MANY BILLIONS OF DOLLARS OF PETROLEUM MANDATORY EXCEPTIONS. THIS
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 GENEVA 07266 02 OF 02 251921Z

PROBLEM SHOULD BE COVERED IN THE PAPER.

C. PAPER COULD USEFULLY CLARIFY U.S. INTENTION
WHETHER BALANCING CONCEPT SHOULD BE BASED ON

BILATERAL OR MULTILATERAL BALANCING (WE ASSUME IT MEANS BILATERAL WITH PRINCIPAL AND PERHAPS SUBSTANTIAL SUPPLIERS).

D. WITH REGARD TO SECOND SUBPARA OF PARA 3 REFTTEL, WE ASSUE PHASE "THE UNITED STATES SHOULD TABLE A SELF-BALANCED PACKAGE" DOES NOT MEAN THAT WE DO THIS AS PART OF INITIAL OFFERS/EXCEPTIONS PACKAGE ON JAN. 15. IF IT DOES, U.S. WOULD PLACE ITSELF IN THE POOR NEGOTIATING POSITION OF OFFERING DEEPER-THAN FORMULA CUTS ON ITEMS WHICH WE THINK "NO EXCEPTIONS" COUNTRIES WOULD ACCEPT, ONLY TO BE FACED WITH REJECTION BY THEM OF SUCH OFFERS AND A TOTALLY NEW LIST OF DEMANDS FROM THEM FOR DEEPER-THAN-FORMULA CUTS ON OTHER ITEMS. SUBSEQUENT WITHDRAWALS BY US OF THE INITIAL BALANCING OFFERS WOULD AFFECT OTHER COUNTRIES, INCLUDING LDCS. WE KNOW THAT CANADA AND JAPAN WILL HAVE A NUMBER OF EXCEPTIONS, AND WE DO NOT BELIEVE THE EC COMMISSION WILL BE SUCCESSFUL IN GETTING MEMBER STATES TO AGREE TO A NO EXCEPTIONS APPROACH. IF A NO NET EXCEPTIONS APPROACH IS ACCEPTED BY FORMULA COUNTRIES AS A GROUP, THE TIME FOR MAKING BALANCING OFFERS SHOULD, WE THINK, OCCUR VIA NEGOTIATION AFTER AN ASSESSMENT OF THE INITIAL OFFERS/EXCEPTIONS LISTS. IF WE TRIED TO ANTICIPATE WHAT OTHERS WOULD DO ON OFFER DAY, WE WOULD BE BLINDLY STUMBLING IN THE DARK.

E. WE ASSUME THE PHRASE "WE DO NOT FAVOR ESTABLISHMENT OF AN INTERNATIONAL PROCEDURE FOR HANDLING EXCEPTIONS AS PART OF THE TARIFF PLAN" MEANS WE DO NOT FAVOR A MULTILATERAL EXCEPTIONS EXERCISE SUCH AS THE CONFRONTATION AND JUSTIFICATION
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 GENEVA 07266 02 OF 02 251921Z

(C AND J) EXERCISE OF THE KENNEDY ROUND. IF SO, LANGUAGE IN THE PAPER SHOULD BE MADE MORE PRECISE. WHILE WE HAVE NO PROBLEM WITH TAKING THAT POSITION, PAPER SHOULD RECOGNIZE THAT CANADA, LDCS AND OTHERS WILL INSIST ON SOME KIND OF C AND J.

4. SPECIAL AND MORE FAVORABLE TREATMENT FOR LDCS

A. CONCERNING B.4 OF PARA 4, IN THE ABSENCE OF GUIDANCE ON THIS ISSUE, WE HAVE NOT SERIOUSLY EXPLORED WITH OTHER DCS AND WITH LDCS WHAT IS POSSIBLE IN THIS AREA. WE KNOW THAT THE LDCS INSIST ON SOME KIND OF PAPER COMING OUT OF THE TARIFFS GROUP ON THE ISSUE. THEY MIGHT BE SATISFIED (IF WE DO IT MOST RELUCTANTLY), WITH A PAPER LISTING SEPARATELY EACH DC'S WILLINGNESS TO CONSIDER SPECIFIC MEASURES. THIS WOULD IN OUR VIEW BE PREFERABLE TO THE IMMENSE NEGOTIATING EFFORT INVOLVED IN TRYING TO AGREE ON COMMON LISTS OF MEASURES. WE ALSO BELIEVE IT WOULD BE A SERIOUS MISTAKE TO IDENTIFY IN SUCH A PAPER

"CERTAIN OTHER MEASURES WHICH ALL DCS ARE UNWILLING TO CONSIDER." THERE IS A VIRTUALLY ENDLESS LIST OF IMPOSSIBLE, ABSURD, CONFLICTING OR JUST NON-SEQUITUR PROPOSALS WHICH ONE OR ANOTHER LDC HAS MADE. NO USEFUL PURPOSE WOULD BE SERVED BY LISTING THINGS WE AND OTHER DCS WON'T DO - WHETHER LISTED BY INDIVIDUAL DC OR BY DCS COLLECTIVELY.

B. WE DON'T UNDERSTAND PARENTHETICAL FYI IN B.4.B). TO WHAT DOES THIS REFER?

C. WE AGREE WITH PROPOSED U.S. APPROACH ON LDC RECIPROCITY QUESTION, BUT NOT THAT IT IS UNRELATED TO "GRADUATION PRINCIPLE."

D. SUGGEST YOU RESTRUCTURE C) 3) SO THAT OFFERING TO LEAST DEVELOPED COUNTRIES SAME MFN TARIFF CUTS AND ADDITIONAL MEASURES OFFERED TO
CONFIDENTIAL
CONFIDENTIAL

PAGE 04 GENEVA 07266 02 OF 02 251921Z

MORE PROSPEROUS LDCE IS NOT DESCRIBED AS REDEEMING PLEDGES TO THE POOREST.

5. BASE RATES/BASE DATE.

GIVEN MAJOR IMPORTANCE TO JAPAN OF BASE RATES/BASE DATE ISSUE AND POSSIBILITY OF SOME FURTHER JAPANESE UNILATERAL TARIFF REDUCTIONS BEFORE END OF MTN, WE HOPE A MORE COMPREHENSIVE RECOMMENDATION ON THIS ISSUE WILL BE INCLUDED IN THE PAPER.CULBERT

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA07266
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: CORE1
Expiration:
Film Number: n/a
Format: TEL
From: GENEVA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770821/aaaaarff.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: ADS TEXT UNRETRIEVABLE
Message ID: 2884e852-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1479384
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: n/a
To: SECSTATE WASHDC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2884e852-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009